

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-07 LAB-04

NSAE-00 SIL-01 /033 W

-----312158Z 125932 /66

R 311606Z JAN 77

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 2900

INFO ALL EC CAPITALS 3053

LIMITED OFFICIAL USE EC BRUSSELS 958

E.O. 11652: N/A

TAGS: ELAB, EEC

SUBJECT: UNEMPLOYMENT IN THE EUROPEAN COMMUNITY

1. SUMMARY. UNEMPLOYMENT IN THE EUROPEAN COMMUNITY AT THE YEAR'S END WAS VERY NEAR PEAK LEVELS, AND NO IMPROVEMENT IS IN SIGHT FOR EARLY 1977, ACCORDING TO TWO UNPUBLISHED DOCUMENTS OF THE EC COMMISSION. END SUMMARY.

2. EC UNEMPLOYMENT WAS SLIGHTLY HIGHER AT THE END OF DEC 76 THAN A YEAR EARLIER, ACCORDING TO STATISTICS COMPILED BY THE EC COMMISSION BUT NOT YET RELEASED. TOTAL REGISTERED UNEMPLOYMENT IN DEC 76 STOOD AT 5.4 MILLION PERSONS, AN INCREASE OF ABOUT 100,000 OVER DECEMBER 1975. HOWEVER, THE NUMBER OF UNEMPLOYED MALES DECLINED BY 124,000 DURING THIS PERIOD.

3. THIS INFORMATION IS CONTAINED IN A "LIMITED EDITION" REPORT PREPARED BY THE EC COMMISSION'S STATISTICAL OFFICE (EUROSTAT FOR SHORT), WHICH IS TAKING OVER FROM THE GENERAL DIRECTORATE FOR SOCIAL AFFAIRS THE ISSUANCE OF MONTHLY STATISTICS ON UNEMPLOYMENT. IN THE PROCESS, EUROSTAT IS TRYING TO REFINE UNEMPLOYMENT FIGURES TO MAKE THEM MORE COMPARABLE BETWEEN EC COUNTRIES, AND SO HAS SUBMITTED ITS FIRST MONTHLY REPORT TO LABOR MINISTRIES OF MEMBER STATES FOR COMMENT.

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4. THE REPORT REFERS TO THE END-OF-1976 FIGURES (NOT SEASONALLY ADJUSTED) AS ESTIMATES BECAUSE OF MISSING DATA FROM ITALY. THE 5.4 MILLION TOTAL WAS REACHED BY ATTRIBUTING TO ITALY THE SAME NUMBER OF REGISTERED UNEMPLOYED THAT ITALY REPORTED FOR OCT 1976,

APPROXIMATELY 1.2 MILLION PERSONS.

5. THE REPORT ALSO SHOWS THAT 1976 AS A WHOLE WAS PROBABLY THE WORST YEAR FOR ENEMPLOYEMENT SINCE THE BEGINNING OF THE EUROPEAN COMMUNITY. ACCORDING TO EUROSTAT DATA, ONLY ONE COUNTRY SHOWED A DROP FROM THE RECORD HIGH ANNUAL UNEMPLOYMENT RATES OF 1975, AND EVEN THAT DECREASE, THAT OF GERMANY, WAS SMALL, FROM A 4.2 PERCENT UNEMPLOYMENT RATE IN 1975 TO A 4.1 PERCENT IN 1976. DENMARK'S ANNUAL RATE WAS 5 PERCENT BOTH IN 75 AND 76. THE RATES OF SIX OTHER COUNTRES WENT UP, WITH THE SHARPEST INCREASES OCCURRING IN BELGIUM (FROM 5.2 PERCENT IN 75 TO 6.8 PERCENT IN 76) AND IN THE UNITED KINGDOM (FROM 3.8 PERCENT TO 4.9 PERCENT).

6. BECAUSE OF MISSING DATA FROM ITALY ON THE LAST TWO MONTHS OF 76, THE REPORT DOES NOT CALCULATE THE 76 ANNUAL UNEMPLOYMENT RATE FOR THE COMMUNITY. BUT GIVEN THE DATA ALREADY IN AND THE FACT THAT ITALY HAD PEAK UNEMPLOYMENT LEVELS IN THE FIRST THREE QUARTERS OF 76, THE ONLY QUESTION NOW IS BY HOW MUCH THE EC'S 76 ANNUAL RATE WILL EXCEED THE 75 AVERAGE OF 4.4 PERCENT WHICH TOPPED THE 74 RATE OF 3 PERCENT.

7. THE UPWARD TREND IN UNEMPLOYMENT IS ACCOUNTED FOR BY THE LARGE NUMBER OF WOMEN UNABLE TO FIND JOBS. THE EUROSTAL REPORT MAKES THE POINT CAUTIOUSLY BECAUSE OF INCOMPLETE STATISTICS: "IT SEEMS THAT THE NUMBER OF REGISTERED UNEMPLOYED MALES IN THE COMMUNITY AS A WHOLE HAS DECREASED BY 4 PERCENT BETWEEN DEC 75 AND DEC 76 AND THE NUMBER OF FEMALES UNEMPLOYED HAS INCREASED BY 12 PERCENT."

8. FOLLOWING IS A TABLE OF EUROSTAT ESTIMATES OF REGISTERED UNEMPLOYMENT FOR THE END OF DEC 75 AND THE END OF DEC 76:
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UNEMPLOYED REGISTERED AT EMPLOYEMENT EXCHANGES
(000'S OMITTED)

	12-75	12-76	CHANGE
TOTAL	5,331	5,440	PLUS 2 PERCENT
MALES	3,364	3,240	MINUS 4 PERCENT
FEMALES	1,967	2,200	PLUS 12 PERCENT

9. EUROSTAT DOES NOT AT PRESENT PUBLISH MONTHLY LABOR FORCE FIGURES APART FROM UNEMPLOYMENT, BUT PLANS TO START DOING SO IN 1977, ACCORDING TO A STAFF MEMBER.

10. PROSPECTS. WITH THE PRIORITY THAT THE NEW COMMISSION AND THE EUROPEAN PARLIAMENT ARE ASSIGNING TO SOLVING THE UNEMPLOYMENT PROBLEM, THE SOCIAL AFFAIRS DIRECTORATE (DG-V) HAS A CRASH PROJECT OF DEVELOPING AN "UNEMPLOYMENT STRATEGY" FOR THE COMING YEAR. AN INTERNAL DG-V PAPER WARNS THAT IN THE COMING MONTHS EC UNEMPLOYMENT IS LIKELY TO EQUAL OR SURPASS THE RECORD OF

5.5 MILLION REGISTERED UNEMPLOYED, REACHED IN EARLY 1976.

11. THE DG-V PAPER POINTS OUT THAT THE ECONOMIC UPTURN THAT BEGAN IN SPRING 1976 DID NOT HELP REDUCE UNEMPLOYEMENT, ALTHOUGH SHORT WORKWEEKS IN SOME SECTORS WERE SLIGHTLY LENGTHENED. "THE PRODUCTIVITY RESERVES CURRENTLY AVAILABLE AND THE GENERAL RETICENCE OF FIRMS TOWARD HIRING NEW WORKERS," THE DG-V PAPER STATES, "MEANT THAT ECONOMIC RECOVERY DID NOT LEAD TO A STEADY IMPROVEMENT IN THE LABOR MARKET.....A WEAKENING OF THE UPWARD ECONOMIC TREND HAS SINCE OCCURRED, AND THIS HAS LEAD TO ADDITIONAL UNCERTAINTIES FOR THE LABOR MARKET."

12. COPIES OF THE EUROSTAT REPORT AND THE DG-V PAPER ARE BEING POUCHED TO THE DEPARTMENT (EUR/RPE) AND TO THE LABOR DEPARTMENT (BLS). HINTON

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMON MARKETS, UNEMPLOYMENT DATA
Control Number: n/a
Copy: SINGLE
Sent Date: 31-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977ECBRU00958
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770034-0570
Format: TEL
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t1977013/aaaaacqy.tel
Line Count: 130
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 9f0461d3-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3538732
Secure: OPEN
Status: NATIVE
Subject: UNEMPLOYMENT IN THE EUROPEAN COMMUNITY
TAGS: ELAB, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/9f0461d3-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009